

# SECTION 1

## PROSECUTION OF CRIMINAL OFFENSES

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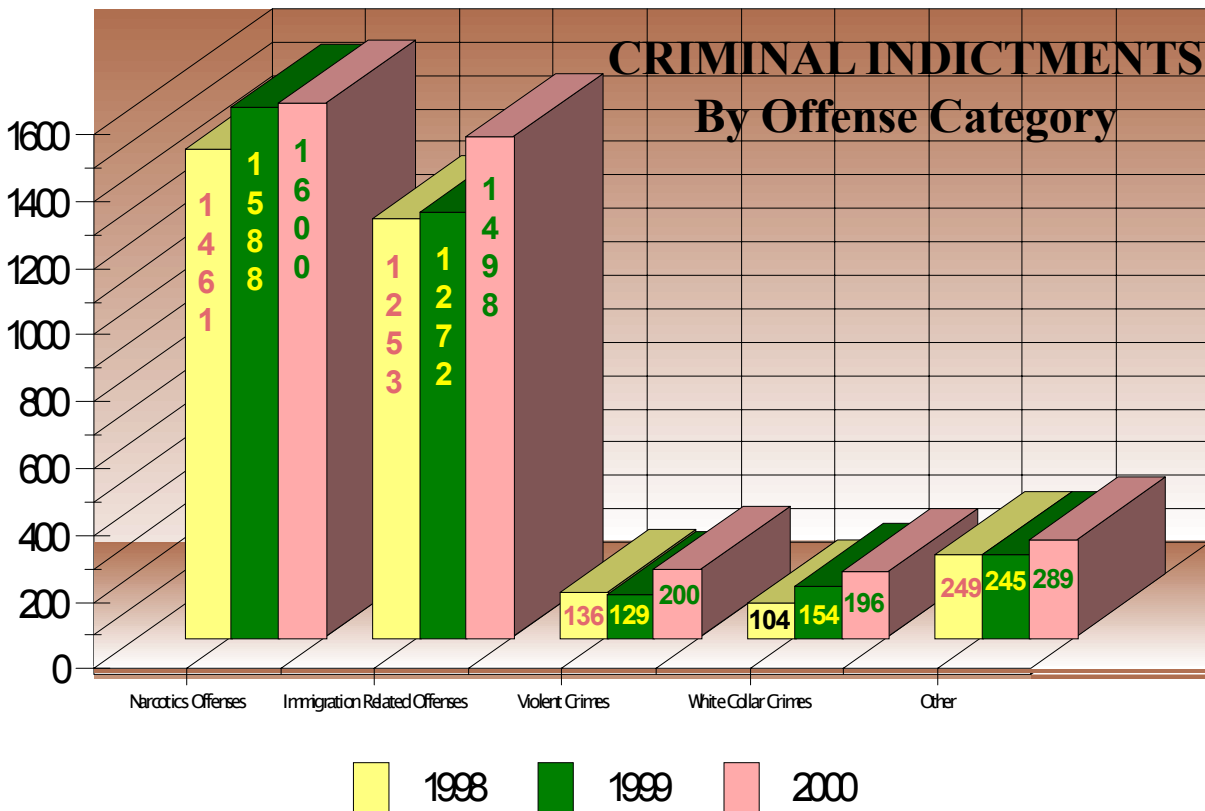
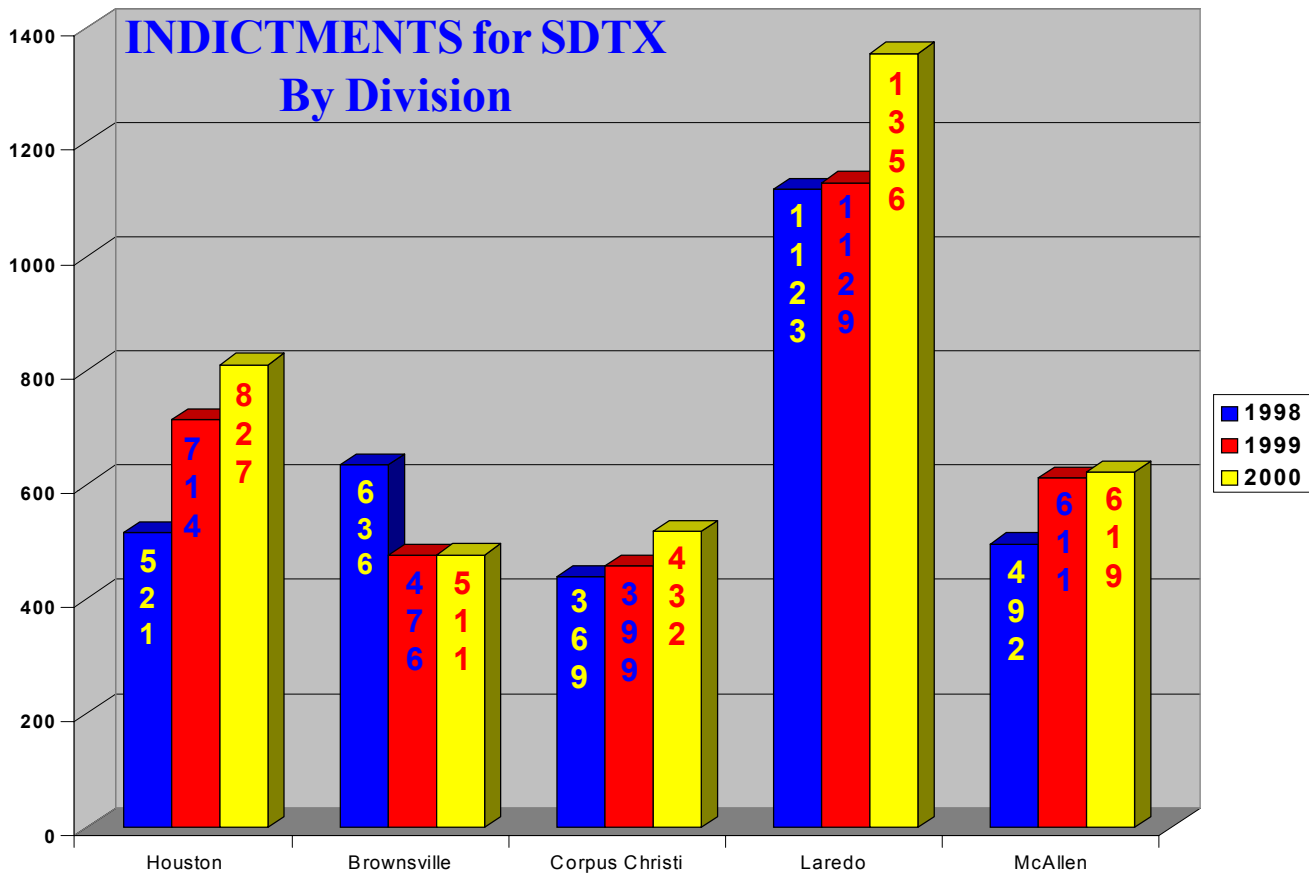
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## PROSECUTION OF CRIMINAL OFFENSES

The responsibility to prosecute criminal violations of the laws of the United States requires that we work closely with investigative agencies to ensure a coordinated and effective law enforcement response to the problems of crime and violence in the district. Prosecution priority is on crime threats that have exclusive federal jurisdiction or are uniquely national or international in dimension. These cases involve drug trafficking, organized crime, terrorism, white-collar crime, civil rights, environmental and immigration violations, and gang related violence. In 2000, the office initiated a record number of narcotics cases, expanded prosecution of firearms offenses through the district-wide Gun Violence Reduction Initiative and the Texas Exile Project, and continued to prosecute elected and appointed officials at all levels of government who abuse their office and the public's trust.

This district has consistently managed one of the busiest criminal litigation dockets in the nation. In 2000 this caseload grew to record levels. The attorneys and support staff managed this exceptionally demanding litigation responsibility with caseloads of over 3700 indictments and criminal informations involving over 4800 defendants through hard work and efficiency, and with the effective cooperation of investigative agencies.



## ILLEGAL DRUGS

The district's first goal in the prosecution mission is to reduce the availability and abuse of illegal drugs through traditional and innovative enforcement efforts. The large volume of criminal indictments reflects the "front line" nature of the district with its 455-mile Rio Grande River border with Mexico, its major sea ports and international airports.

The district's focus remains on the long-term and complex investigations that target major drug trafficking organizations. The district's strategic approach to trafficking in illegal drugs is two-fold:

- ❑ Support regional strategies within the district that focus multi-agency investigation to identify, disrupt and dismantle major drug organizations along all points of the production, transportation, and distribution chain, and
- ❑ Encourage multi-district, national and international investigative and prosecutorial efforts that affect drug trafficking activities in the district.

The cases summarized here illustrate the type of multi-agency investigations and extensive prosecution efforts of the district.



### OPERATION SNOW BOAT

Officials from the U.S., the U.K., the Netherlands, France and Puerto Rico were part of a multi-agency effort which led federal agents to two ocean freighters resulting in the seizure of over 10 tons of cocaine. The U. S. Coast Guard boarded the M/V Cannes on the high seas and found five tons of cocaine. A few months later the British Navy, acting on a DEA alert, stopped the China Breeze at sea. Members of a special U. S. Coast Guard drug interdiction team boarded the China Breeze south of Puerto Rico and seized another five tons of cocaine inside a false sewage tank secreted behind the ship's cargo of 16,000 metric tons of raw sugar. The cocaine was loaded onto the China Breeze by use of speedboats. The cocaine cargo was to be taken offshore in the same manner once it reached its final destination.

This OCDETF initiative involved the successful prosecution of ten defendants whose drug trafficking activities were part of a maritime cocaine trafficking cell. The organization was based in Greece, employed Ukrainian sailors, and transported wholesale quantities of cocaine for Colombian suppliers. AUSA: Eric Reed; AGENCY: DEA, USCG, USCS, Galveston County Sheriff.

### 30 YEARS FOR CEO OF MULTINATIONAL DRUG TRAFFICKING ENTERPRISE

The district led a nation-wide investigation named Operation Fatal Attraction in which Houston-based investigators seized

over 4,000 kilos of cocaine, 65 luxury cars and SUVs, a boat, and

over \$1 million in currency. The two-year investigation focused on an international drug trafficking ring led by Hernan Payan-Paz. The investigation relied on sophisticated electronic surveillance to track the shipment of drugs in 18-wheeler trucks and luxury cars. The criminal enterprise included a car lot which served to procure load vehicles and outfit them with false compartments. Twenty defendants were indicted in Houston, and during the past year ten were convicted, with Payan receiving 30 years. Five are fugitives. The investigation also resulted in drug convictions in Florida, Mississippi, Louisiana, New York, Chicago, San Diego and Los Angeles. AUSA: Martha Minnis; FBI and DEA led this multi-agency initiative of the ONDCP-funded Houston High Intensity Drug Trafficking Area (HIDTA).

### ECSTASY SEIZURE

An OCDETF and HIDTA investigation resulted in the arrest of six couriers who were part of an international ring that imported 3,4 methylenedioxy methamphetamine from Europe. This drug, known as Ecstasy, has grown rapidly in



popularity with young people and is commonly associated with all-night rave clubs. Ecstasy, which has both methamphetamine and hallucinogenic effects, is manufactured primarily in Europe and packaged in pill form. The wholesale price is about one dollar per pill. An Ecstasy pill sold at a dance club in Houston costs \$20 to \$40 each. Agents seized about 200,000 pills in Houston during this investigation. The six couriers entered guilty pleas, and the ringleader of the organization, Jacob Orgad, is currently charged in New York City. AUSA: Mark McIntyre; AGENCY: DEA.

### LIFE FOR LAREDO DRUG KINGPIN

This OCDETF investigation targeted the narcotics and money laundering activities of the Ernesto Ramirez organization.

After a two-year investigation, Ramirez and 23 others were charged with

smuggling over a ton of drugs into the U.S. The organization would hide cocaine and marijuana in sealed packages or acetylene tanks and ship the drugs in private cars, Greyhound buses, UPS, Federal Express, and Airborne Express. Drug proceeds were then driven back to Laredo or wired utilizing Western Union Money Transfer. More than \$700,000 was wired through



Western Union alone. Ramirez was sentenced to life after being linked to the murder of Aubrey Baker Jr., whose body was discovered on a street in Laredo.

Twenty-one other defendants have been convicted by trial or plea and sentenced to terms ranging from 2 years to 20 years as a result of this investigation. One fugitive remains at large.

AUSA: José Angel Moreno;

AGENCY: DEA, U. S. Customs Service, IRS-CID, & Laredo Multi-Agency Narcotics Task Force.

### **TOMBALL CRACK COCAINE RING**

Billy Ray Ishup, owner/manager of Sugar's Hideaway in Tomball, was one of several Tomball area residents charged with trafficking in crack cocaine. A jury found Ishup, 44, guilty after trial evidence showed that crack cocaine was sold openly at Sugar's. The indictment was the result of a joint investigation between the Mobile Enforcement Team (MET) of the Houston office of the Drug Enforcement Administration and the Tomball Police Department. The remaining five defendants entered guilty pleas. AUSA: Bob Stabe. AGENCY: DEA.

### **HEROIN IN LAREDO**

U.S. Customs officers were tipped off about a plan to transport between ten and twelve kilos of heroin from Mexico to St. Louis via Laredo. With this information, Customs agents in Laredo identified a vehicle in which over two kilos were concealed in the battery of the vehicle.



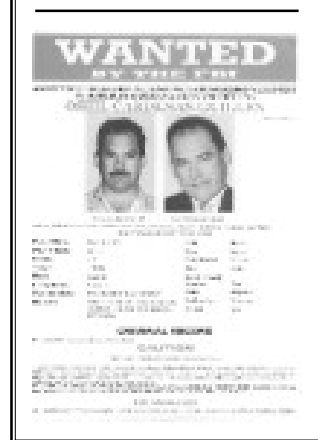
Agents followed the vehicle to St. Louis where the battery was delivered to Keith Williams at a hotel room.

Williams and several co-conspirators were indicted and have pled guilty to a charge of conspiracy to possess with intent to distribute approximately ten kilos of heroin. The heroin seized was valued at \$300,000 to bulk rate dealers in Laredo, and up to \$2 million if sold to individual users in St. Louis. AUSA: Mary Lou Castillo & Noelle DiMarco. AGENCY: U. S. Customs.

### **RESIDUE OF THE GULF CARTEL**

In December, federal indictments were unsealed in Brownsville, McAllen and Houston charging various individuals with drug trafficking and with assault of a Cameron County Sheriff's investigator, FBI, and DEA Special agent. The task force was following up on drug traffickers' threats to kill federal agents. The indictments are the result of an OCDETF investigation into the trafficking activities of the remnants of the Gulf Cartel once led by the imprisoned Juan Garcia Abrego. U. S. Attorney Mosbacher announced a \$2 million State Department-sponsored reward for information leading to the arrest and prosecution of Oziel Cardenas Guillen, Juan Manuel Garza Rendon, aka "La Brocha" Adan Medrano, aka "El Licenciado."

*\$2 Million Reward for information leading to the arrest and prosecution of Oziel Cardenas Guillen*



Over 16,000 pounds of marijuana, 600 pounds of cocaine and more than \$800,000 in U.S. currency have been seized in this investigation. In 2000, 34 defendants had been indicted in the operation resulting in the conviction of 25. Nine are currently fugitives. The investigation identified several organization members and their methods in utilizing several different transportation cells to transport narcotics throughout the United States. Seizures attributed to this organization have occurred in Brownsville, Houston, San Antonio, Corpus Christi and Austin and in Illinois, Ohio, Georgia, and Florida. The investigation also helped provide information that assisted in the arrest and successful prosecution of 23 individuals in a related San Antonio OCDEF investigation. AUSA: Jody L. Young and Jesse Rodriguez. This OCDEF investigation was led by the FBI and U.S. Customs Service, along with the DEA, INS, Cameron County Sheriff's Office, Brownsville PD, and Texas DPS.

#### **FORMER GALVESTON POLICE OFFICER LED DRUG RING**

Mario Espinosa was caught at the Brownsville/Matamoros Bridge border checkpoint trying to smuggle a 72-pound load of marijuana into the U.S. concealed in the tires of a pickup. Investigators found that the truck was owned by Ray Cruz, a former Galveston police officer. Espinosa was indicted on drug trafficking charges and entered a guilty plea immediately before jury selection. Espinoza identified Cruz in open court as the person for whom he smuggled marijuana into the country. Further investigation linked Ray Cruz's brother,

Marcos Cruz, to the drug trafficking conspiracy. The Cruz brothers were charged and convicted after a three-week trial which featured several cooperating drug dealers identifying the Cruz brothers as major drug suppliers for the Galveston area. The trial also included evidence that the Cruz organization paid others to cook the powder cocaine they acquired before they would sell it to their various customers. Ray and Marcos received 15 and 10 year sentences, respectively. AUSA: Ken Dies; AGENCY: DEA, Galveston PD, League City PD.

#### **PROMINENT SOUTH TEXAS ATTORNEY WAS CIVIC LEADER & DRUG PILOT**

Alfonso Ibanez was on the Board of Directors of the McAllen public school system and longtime Rio Grande Valley attorney. Ibanez was using his personal airplane to fly loads of cocaine and marijuana from Edinburg to the San Antonio area.



He was charged with drug trafficking in the McAllen Division and sentenced to 70 months on his guilty plea. Ibanez forfeited all rights to his Lincoln Continental, Suburban, airplane and his law office. AUSA: Terry Leonard; AGENCY: FBI.



### RIO GRANDE VALLEY MINISTER TO PRISON FOR DRUG TRAFFICKING

Gabriel Rodriguez, an evangelical minister of McAllen and owner of El Bendecido (The Blessed) Auto Sales in Alamo, was also a leader

*Marijuana packages were routinely hidden inside door panels.*



of a drug trafficking organization that used

nominee purchasers to buy cars for hauling drugs.

Part of his MO was to employ middle-aged women driving ordinary-looking cars and vans to transport

the drugs north. He also rented several houses for storing and packaging marijuana and the currency the business generated.

Several members of the organization have been convicted of drug and money laundering conspiracy. From 1992 until 2000 the organization smuggled marijuana from the Rio Grande Valley to Houston and beyond to out-of-state buyers. The leaders of

the organization included Jose Rodriguez who owned a second-hand refrigerator shop which served as a front for the conspiracy. Law enforcement agencies made nearly 40 seizures of marijuana, many of which occurred at the U. S. Border Patrol checkpoints in Sarita and Falfurrias. AUSA: Eric Reed, John Patrick Smith, and Luis Martinez; AGENCY: OCDETF.



*Machines used to tightly package marijuana.*

### CORPUS CHRISTI DRUG RING EMPLOYED PRISON GANGS

The Silvestre Maldonado drug organization, until last year, was the largest criminal enterprise in Corpus Christi importing both multi-pounds of methamphetamine and multi-kilograms of cocaine from Mexico. The methamphetamine and cocaine smuggled into Corpus Christi were distributed both within the Corpus Christi area and to locations throughout the United States. This organization also utilized the services of both the Texas Syndicate prison gang and the Bandido

Motorcycle Gang to distribute the drugs and collect drug debts owed. They have operated within the Corpus Christi area for the last 20 years. Twelve individuals have been convicted, including Silvestre Maldonado and four of the organization's higher echelon members. Maldonado received a 25-year prison sentence. AUSA Patti Booth. The case was an OCDETF investigation conducted by the FBI, DEA, U. S. Customs Service, INS, IRS-CID, TX DPS, and Corpus Christi PD.